

AVANTIGAS ON LTD

**Company Registration Number:
10430843 (England and Wales)**

Unaudited statutory accounts for the year ended 30 September 2020

Period of accounts

Start date: 1 October 2019

End date: 30 September 2020

AVANTIGAS ON LTD

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Directors' report period ended 30 September 2020

The directors present their report with the financial statements of the company for the period ended 30 September 2020

Principal activities of the company

AvantiGas ON Limited specifically targets the Small and Medium Enterprise business to business segment, initially via the provision of gas, with the expectation of extending into power in future years. Market share has been established by offering services and products which rival the existing major incumbents. AvantiGas ON continues to differentiate from other similar market challengers through 1) offering a highly digitalised and simplified customer journey driven by accurate data, and 2) utilising our extensive UGI group wide experience in the European gas & power traded markets.

Company policy on disabled employees

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continuing employment.

Additional information

Financial risk managementThe company's Directors follow risk management policies, which include specific guidelines on the management of market, credit and liquidity risk and advice on the use of financial instruments to manage them. The main risks to which the company is exposed through its operations are price and credit risks and these are managed as described below.
Price Risk - The company is exposed to commodity price risk as a result of its operations. This risk is being managed by the appropriate use of hedging contracts.
Credit Risk - The company has implemented policies that require appropriate credit checks on potential customers before sales are made.
Liquidity Risk - The company has sufficient surplus funds together with efficient working capital management to support operations and capital investments plans.
Directors' indemnitiesThe ultimate parent company, UGI Corporation, has granted an indemnity to its directors against liability in respect of proceedings brought by third parties subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.
Employment and health and safety policiesIt is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continuing employment.
The Directors are committed to maintain and develop communication with employees, who are encouraged to become aware of and involve themselves in the performance of the company.The management of safety continues to be of the highest priority for the company. This is attained through a structure of safety committees, policy guidelines and employee involvement.
Future developmentsThe Directors aim to maintain the management policies which have established the company and created the platform for future growth. They consider that the next year will show a stable performance in line with the 2021 business plan under challenging UK economic conditions.
Events since the balance sheet dateThe company continues to be impacted by the global COVID-19 pandemic. The company has seen some impact on volumes however expects overall volumes for 2021 and 2022 to continue to grow and to reach profitability over that period. COVID-19 continues to impact the company's customer base and their demand for gas. In addition, in extreme circumstances COVID-19 might cause customer businesses to fail exposing the company to increased risk of bad debt and lack of return on the costs of gaining new business. A range of temporary social measures such as remote working continue to be taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard. In light of COVID-19, the directors have considered whether any adjustments are required to the amounts reported in the financial statements. The directors have concluded that no adjustments are required to the financial statements.
Going concernAt the date of approval of the accounts, the UK continues to experience economic, social and political uncertainty surrounding COVID-19. As such, in assessing the company's ability to adopt the going concern basis in preparation of the financial statements, the directors have considered the financial impact that COVID-19 is having and may have on the company alongside other risks impacting the business. The company has seen some impact on volumes however expects overall volumes for 2021 and 2022 to continue to grow and to achieve profitability over that period. Sensitivity analysis with significantly reduced revenues has been performed over the forecast result for the remainder of the year to 30 September 2021 and through the whole of the year to 30 September 2022. This demonstrates that the company may need financial support of another group company, Avanti Gas Limited, to meet its liabilities for a period up to 30 September 2022, particularly in the event of further COVID-19 disruption. The company has received written confirmation from Avanti Gas Limited that it has the ability to and will provide such support to the company.

Directors

The director shown below has held office during the whole of the period from
1 October 2019 to 30 September 2020

Roger Perreault

The directors shown below have held office during the period of
1 October 2019 to 2 December 2019

Beth Reid
Neil Murphy

Angela Widdup
Donald Groth
Thaddeus Jastrzebski

The directors shown below have held office during the period of
2 December 2019 to 30 September 2020

Dean L. Ewart
Jessica A. Milner
Marie-Dominique Ortiz-Landazabal

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
30 July 2021

And signed on behalf of the board by:

Name: Dean L. Ewart

Status: Director

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Profit And Loss Account for the Period Ended 30 September 2020

	2020	2019
	£	£
Turnover:	24,381,000	11,522,000
Cost of sales:	(23,079,000)	(14,129,000)
Gross profit(or loss):	<u>1,302,000</u>	<u>(2,607,000)</u>
Administrative expenses:	(5,873,000)	(2,892,000)
Operating profit(or loss):	<u>(4,571,000)</u>	<u>(5,499,000)</u>
Interest receivable and similar income:		1,000
Interest payable and similar charges:	(1,000)	
Profit(or loss) before tax:	<u>(4,572,000)</u>	<u>(5,498,000)</u>
Tax:	121,000	29,000
Profit(or loss) for the financial year:	<u>(4,451,000)</u>	<u>(5,469,000)</u>

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Balance sheet

As at 30 September 2020

	Notes	2020	2019
		£	£
Fixed assets			
Intangible assets:	3	306,000	349,000
Tangible assets:	4	0	8,000
Total fixed assets:		<u>306,000</u>	<u>357,000</u>
Current assets			
Debtors:	5	7,908,000	6,675,000
Cash at bank and in hand:		2,174,000	2,217,000
Total current assets:		<u>10,082,000</u>	<u>8,892,000</u>
Creditors: amounts falling due within one year:	6	(7,964,000)	(3,421,000)
Net current assets (liabilities):		<u>2,118,000</u>	<u>5,471,000</u>
Total assets less current liabilities:		<u>2,424,000</u>	<u>5,828,000</u>
Creditors: amounts falling due after more than one year:	7	(2,030,000)	(983,000)
Total net assets (liabilities):		<u>394,000</u>	<u>4,845,000</u>
Capital and reserves			
Called up share capital:		7	7
Share premium account:		11,900,000	11,900,000
Profit and loss account:		(11,506,007)	(7,055,007)
Total Shareholders' funds:		<u>394,000</u>	<u>4,845,000</u>

The notes form part of these financial statements

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Balance sheet statements

For the year ending 30 September 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 30 July 2021
and signed on behalf of the board by:**

Name: Dean L. Ewart
Status: Director

The notes form part of these financial statements

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Notes to the Financial Statements

for the Period Ended 30 September 2020

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Revenue represents the amount receivable net of discounts, value added tax and Climate Change Levy for goods sold and services rendered in the ordinary course of business. Revenue from the sale of goods is recognised on the basis of gas supplied during the period. For those customers awaiting a bill an estimate is made of sales value of units supplied and included in trade receivables to the extent they are considered recoverable.

Tangible fixed assets depreciation policy

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is not charged on assets under construction or on freehold land. Depreciation of other property, plant and equipment is calculated on a straight-line basis on cost over periods appropriate to their estimated useful lives, taking into account normal commercial and technical obsolescence. The following annual rates have been used: Computer Hardware - 33.3% Assets in the course of construction are stated at cost. These assets are not depreciated until available for use. Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

Intangible fixed assets amortisation policy

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over its estimated useful life, on a straight line basis as follows: Computer Software - 20% Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

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Notes to the Financial Statements for the Period Ended 30 September 2020

2. Employees

	<i>2020</i>	<i>2019</i>
Average number of employees during the period	16	14

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Notes to the Financial Statements for the Period Ended 30 September 2020

3. Intangible assets

	Goodwill	Other	Total
Cost	£	£	£
At 1 October 2019		416,000	416,000
Additions		41,000	41,000
Disposals			
Revaluations			
Transfers			
At 30 September 2020		457,000	457,000
Amortisation			
At 1 October 2019		67,000	67,000
Charge for year		84,000	84,000
On disposals			
Other adjustments			
At 30 September 2020		151,000	151,000
Net book value			
At 30 September 2020		306,000	306,000
At 30 September 2019		349,000	349,000

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Notes to the Financial Statements for the Period Ended 30 September 2020

4. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 October 2019				30,000		30,000
Additions						
Disposals						
Revaluations						
Transfers						
At 30 September 2020				30,000		30,000
Depreciation						
At 1 October 2019				22,000		22,000
Charge for year				8,000		8,000
On disposals						
Other adjustments						
At 30 September 2020				30,000		30,000
Net book value						
At 30 September 2020				0		0
At 30 September 2019				8,000		8,000

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Notes to the Financial Statements for the Period Ended 30 September 2020

5. Debtors

	2020	2019
	£	£
Trade debtors	2,093,000	1,485,000
Prepayments and accrued income	3,414,000	3,965,000
Other debtors	2,401,000	1,225,000
Total	<u>7,908,000</u>	<u>6,675,000</u>

Other receivables include:£870k (2019: £190k) unrealised gains on commodity hedges which were categorised at fair value through profit or loss. Deposit Deed payments have been made to suppliers to cover indebtedness. Deposit Deeds are repayable if AvantiGas ON:Ceases to be a user and has no present or future, actual or contingent liability to the suppliers or;provides a substitute deposit or any other security acceptable to the supplier in all respects to secure Indebtedness or;requests a release of the deposit in accordance with the provisions of the supplier code and satisfaction of the conditions for such a release.Trade receivables includes a provision for bad debt of £776k (2019: £170k).

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Notes to the Financial Statements for the Period Ended 30 September 2020

6. Creditors: amounts falling due within one year note

	<i>2020</i>	<i>2019</i>
	£	£
Trade creditors	1,778,000	1,192,000
Taxation and social security	2,270,000	0
Accruals and deferred income	98,000	87,000
Other creditors	3,818,000	2,142,000
Total	<u>7,964,000</u>	<u>3,421,000</u>

Amounts owed to fellow subsidiary are unsecured, interest free and repayable on demand. Other payables includes £3,313k (2019: £1,984) unrealised losses on commodity hedges which were categorised at fair value through profit or loss. Supplier payment policy The company's policy is to make payments to suppliers in accordance with its standard terms and conditions.

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Notes to the Financial Statements for the Period Ended 30 September 2020

7. Creditors: amounts falling due after more than one year note

	<i>2020</i>	<i>2019</i>
	£	£
Other creditors	2,030,000	983,000
Total	<u>2,030,000</u>	<u>983,000</u>

Other payables includes £2,030k (2019: £983k) unrealised losses on commodity hedges which were categorised at fair value through profit or loss but which do not mature for 12 months from the balance sheet date.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.